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FISCAL IMPACT STATEMENT

LS 7530

BILL NUMBER: SB 343

NOTE PREPARED: Jan 9, 2003

BILL AMENDED:

SUBJECT: Disease Management and Chronic Disease Registry.

FIRST AUTHOR: Sen. Miller

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill removes: (1) HIV and AIDS; and (2) population parameters; from the state's Disease Management Program and sets implementation dates for the statewide program. The bill also creates a Chronic Disease Registry administered by the State Department of Health.

Effective Date: Upon passage.

Explanation of State Expenditures: *Disease Management Program:* The Disease Management Program is for Medicaid recipients that are not enrolled in the risk-based managed care program. Family and Social Services Administration staff state that the pilot program can be done with current resources and no additional fiscal impact. Costs associated with program evaluation, modification, and statewide rollout are not known at this time. However, it is assumed that the program evaluation can be performed with existing staff and resources. Implementation of the disease management program may reduce total medical expenditures in the long-term after initial start-up costs. However, the extent of these costs and savings may not be known until the program is implemented.

This bill also removes HIV and AIDS from the state disease management program. Agency staff state the complexity and individual characteristics of these make these two diseases unfit for a universal management program. The treatment for these two diseases is customized to the individual's symptoms and needs. No cost or savings is associated with this provision as the disease management program never fully incorporated treatment for these two diseases.

Chronic Disease Registry: State Department of Health staff state that the costs of the chronic disease registry are undeterminable at this time. The Department may adopt rules to implement this program. Department

staff state that the registry will not be implemented until FY 2005. The cost of the program is unknown. The bill requires that certain medical professionals report cases of chronic disease to the registry. This requirement may reduce registry maintenance costs.

Background: Disease management refers to the process of a physician managing a patient's disease (such as asthma or epilepsy) on a long-term, continuing basis, rather than treating a single episode. Disease management is intended to improve patient care as well as save costs by seeing that the patient's condition is well managed.

For FY 2001 the combined pool for disease management and case management was approximately 87,000 individuals. Of these, diabetes, asthma, and congestive heart failure comprised approximately 56,000 cases, and AIDS cases totaled 1,051. This bill requires that all chronic diseases, not just those treated under Medicaid disease management programs, are included on the list.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, State Department of Health.

Local Agencies Affected:

Information Sources: Amy Kruzan, Legislative Director, Family and Social Services Administration, 317-232-1149; Zach Cattell, Legislative Director, State Department of Health, 317-232-2170; *Health Care Glossary of Terms & Definitions*, The Understanding Business Press.

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